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**EYE DOCTOR PLEADS GUILTY TO MEDICARE FRAUD
INVOLVING ADULT AND NURSING HOME RESIDENTS**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, and KEVIN P. DONOVAN, the Assistant Director In Charge of the New York Field Office of the FBI, announced today that Dr. SHAUL DEBBI, an ophthalmologist, pled guilty in Manhattan federal court to two counts of Medicare fraud.

In pleading guilty before United States District Judge JED S. RAKOFF, DEBBI admitted to two separate Medicare fraud schemes and that he "intentionally attempted to deceive Medicare by submitting fraudulent claims," according to his plea allocution. He further admitted that he had billed Medicare for procedures that were never performed and did so "to obtain money from Medicare that [he] knew [he] was not entitled to." Trial was scheduled to begin today. As part of his plea, DEBBI has also agreed to make restitution in the amount of \$934,088, which represents the total amount of money that DEBBI gained through his fraudulent schemes.

At the plea hearing, the Government stated that its trial

evidence included proof that DEBBI falsely and fraudulently billed Medicare: (1) for more than 400 medical procedures claimed to have been done on dates when Debbi was traveling outside of the country; (2) for more than 7,000 procedures in which DEBBI fraudulently misrepresented the location where he performed ophthalmological services in an effort to circumvent Medicare's policies specifying acceptable places of treatment; (3) for approximately 2,500 procedures in which DEBBI's own records indicate that he did not perform those procedures; (4) on approximately 900 occasions in which DEBBI falsely claimed to Medicare that he personally had performed medical procedures when, in fact, those services were performed by an assistant; (5) for approximately 500 procedures when DEBBI's assistant's own records indicate that the billed procedures were not performed; and (6) for approximately 150 procedures that DEBBI's assistant did not know how to perform and did not perform.

According to the superseding Indictment, from 1998 through 2001, DEBBI was accused of submitting false and misleading claims to Medicare for ophthalmological services he claimed he provided to residents of adult and nursing homes. Adult homes are long-term residential facilities whose residents suffer from various disabilities, including various mental and emotional disabilities. In addition, from the summer of 2000 through 2001, DEBBI arranged for a physician's assistant he employed to examine

residents in adult homes without his being present. Subsequently, DEBBI intentionally submitted false and misleading claims to Medicare for ophthalmology services his assistant provided to residents at the homes.

As charged in the superseding Indictment, DEBBI's claims were false and fraudulent because DEBBI: (1) billed for medically unnecessary exams and procedures; (2) billed for procedures that were never performed; (3) billed for routine eye exams that were not reimbursable; (4) billed as though the services were provided in DEBBI's home office when they were not; (5) rendered false diagnoses; and (6) billed as though DEBBI provided the services when, in fact, those services were performed by his assistant.

At the plea hearing, the Government also stated that DEBBI had taken steps to hide his handwritten patient records and to fabricate patient records using a computer. In May 2002, three days after DEBBI's patient records were subpoenaed, according to the Government, DEBBI flew to Israel and arranged for an unknowing acquaintance to remove his handwritten patient records from DEBBI's home and transport them to a storage facility. The Government stated that several boxes of incriminating records were transferred from DEBBI's home in an effort to evade the subpoena's demands, and were later recovered by agents of the Federal Bureau of Investigation. According to the Government, the computerized patient records appear to have been created at DEBBI's direction

well after DEBBI saw the relevant patients, and also appear to be inconsistent with DEBBI's handwritten records. Also according to the Government, the computer records included diagrams of both eyes of one patient who, in fact, was missing one eye.

On each count to which he pled, DEBBI faces a maximum sentence of ten years in prison, and a \$250,000 fine. In connection with his plea, SHAUL DEBBI agreed to surrender his medical license.

The Court ordered DEBBI to be electronically monitored and forbade him from transferring assets without prior Government and Court notification. Judge RAKOFF scheduled DEBBI's sentencing for September 4, 2003.

Dr. DEBBI is a 48-year old Israeli and American citizen who resides in Great Neck, New York.

Mr. COMEY praised the investigative efforts of the FBI and the assistance of the Office of Professional Medical Conduct of the New York State Department of Health.

Mr. COMEY also stated that the investigation into fraud and abuse at Adult Homes is continuing.

Assistant United States Attorneys PAUL B. RADVANY and DANIEL S. RUZUMNA are in charge of the prosecution.